

# QUARTERLY REPORT

**LICENSEE** Trump Plaza Associates

**FOR THE QUARTER ENDED** September 30, 20<sup>02</sup>

**TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY**



# BALANCE SHEETS

AS OF SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	<b>ASSETS</b>		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$21,157	\$19,439
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$5,928; 2001, \$5,292 ).....	9,486	10,433
4	Inventories.....	1,704	1,737
5	Prepaid Expenses and Other Current Assets.....	4,268	3,133
6	Total Current Assets.....	36,615	34,742
7	Investments, Advances, and Receivables.....	11,270	8,905
8	Property and Equipment - Gross.....	652,575	640,047
9	Less: Accumulated Depreciation and Amortization.....	(251,257)	(234,776)
10	Property and Equipment - Net.....	401,318	405,271
11	Other Assets..... Note 5.....	16,144	16,130
12	Total Assets.....	\$465,347	\$465,048
	<b>LIABILITIES AND EQUITY</b>		
	Current Liabilities:		
13	Accounts Payable.....	\$9,385	\$12,685
14	Notes Payable.....	202	157
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... Note 6.....	5,612	4,379
17	Income Taxes Payable and Accrued..... Note 11.....	976	-
18	Other Accrued Expenses.....	29,794	48,083
19	Other Current Liabilities..... Note 4, 9.....	9,099	26,332
20	Total Current Liabilities.....	55,068	91,636
	Long-Term Debt:		
21	Due to Affiliates..... Note 6.....	462,387	400,000
22	Other..... Note 6.....	7,649	5,684
23	Deferred Credits.....	-	-
24	Other Liabilities..... Note 7.....	12,856	13,016
25	Commitments and Contingencies..... Note 8.....	-	-
26	Total Liabilities.....	537,960	510,336
27	Stockholders', Partners', or Proprietor's Equity..... Note 9, 10.....	(72,613)	(45,288)
28	Total Liabilities and Equity.....	\$465,347	\$465,048

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$259,433	\$249,615
2	Rooms.....	19,086	18,557
3	Food and Beverage.....	28,157	30,478
4	Other.....	5,935	6,176
5	Total Revenue.....	312,611	304,826
6	Less: Promotional Allowances.....Note 2.....	69,731	72,533
7	Net Revenue.....	242,880	232,293
	Costs and Expenses:		
8	Cost of Goods and Services.....	138,076	140,628
9	Selling, General, and Administrative.....Note 2.....	36,261	37,144
10	Provision for Doubtful Accounts.....	1,853	2,494
11	Total Costs and Expenses.....	176,190	180,266
12	Gross Operating Profit.....	66,690	52,027
13	Depreciation and Amortization.....	13,466	11,380
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....Note 3.....	4,372	5,478
16	Income (Loss) from Operations.....	48,852	35,169
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(37,652)	(34,853)
18	Interest (Expense) - External.....	(1,182)	(1,234)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(1,203)	(1,328)
20	Nonoperating Income (Expense) - Net.....	245	687
21	Total Other Income (Expenses).....	(39,792)	(36,728)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	9,060	(1,559)
23	Provision (Credit) for Income Taxes.....Note 11.....	978	2
24	Income (Loss) Before Extraordinary Items.....	8,082	(1,561)
	Extraordinary Items (Net of Income Taxes -		
25	20__, \$ ; 20__, \$ ).....	-	-
26	Net Income (Loss).....	\$8,082	(\$1,561)

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

\*Amount revised to comply with current year presentation.

# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$93,549	\$88,545
2	Rooms.....	6,787	6,714
3	Food and Beverage.....	9,908	10,438
4	Other.....	2,106	2,355 *
5	Total Revenue.....	112,350	108,052 *
6	Less: Promotional Allowances..... Note 2.....	24,625	24,837 *
7	Net Revenue.....	87,725	83,215 *
	Costs and Expenses:		
8	Cost of Goods and Services.....	48,151	46,983 *
9	Selling, General, and Administrative..... Note 2.....	12,254	11,736 *
10	Provision for Doubtful Accounts.....	185	707
11	Total Costs and Expenses.....	60,590	59,426 *
12	Gross Operating Profit.....	27,135	23,789
13	Depreciation and Amortization.....	4,965	3,083
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other..... Note 3.....	1,462	1,830
16	Income (Loss) from Operations.....	20,708	18,876
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(13,332)	(11,639)
18	Interest (Expense) - External.....	(556)	(407)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(398)	(402)
20	Nonoperating Income (Expense) - Net.....	76	98
21	Total Other Income (Expenses).....	(14,210)	(12,350)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	6,498	6,526
23	Provision (Credit) for Income Taxes..... Note 11.....	976	0
24	Income (Loss) Before Extraordinary Items.....	5,522	6,526
	Extraordinary Items (Net of Income Taxes -		
25	20__, \$ ; 20__, \$ ).....	-	-
26	Net Income (Loss).....	\$5,522	\$6,526

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.  
\*Amount revised to comply with current year presentation.

# STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001  
AND THE NINE MONTHS ENDED SEPTEMBER 30, 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	Capital Withdrawals (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2000.....	\$204,124	(\$159,962)	(\$87,889)	(\$43,727)
2	Net Income (Loss) - 2001.....		(4,964)		(4,964)
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7	.....				
8	.....				
9	.....				
10	Balance, December 31, 2001.....	204,124	(164,926)	(87,889)	(48,691)
11	Net Income (Loss) - 2002.....		8,082		8,082
12	Capital Contributions..... Note 6	(61,210)			(61,210)
13	Capital Withdrawals.....				
14	Partnership Distributions..... Note 9	29,206			29,206
15	Prior Period Adjustments.....				
16	.....				
17	.....				
18	.....				
19	Balance, September 30, 2002.....	\$172,120	(\$156,844)	(\$87,889)	(\$72,613)

**STATEMENTS OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	(\$1,396)	\$5,509
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(4,384)	(1,626)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(3,038)	(2,891)
7	Purchase of Other Investments and Loans/Advances made.....	12,106	(1,171)
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	Casino Reinvestment Obligation Donation	53	25
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	4,737	(5,663)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	300	826
14	Payments to Settle Short-Term Debt.....	(4,290)	(3,040)
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	-	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21		-	-
22		-	-
23	Net Cash Provided (Used) By Financing Activities.....	(3,990)	(2,214)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(649)	(2,368)
25	Cash and Cash Equivalents at Beginning of Period.....	21,806	21,807
26	Cash and Cash Equivalents at End of Period.....	\$21,157	\$19,439

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$41,804	\$34,875 *
28	Income Taxes.....	-	-

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

\*Amount revised to comply with current year presentation.

**STATEMENTS OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
29	Net Income (Loss).....	\$8,082	(\$1,561)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	13,307	11,197
31	Amortization of Other Assets.....	158	183
32	Amortization of Debt Discount or Premium.....	77	-
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	21	(320)
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,150	1,303
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	1,128	2,751
39	Net (Increase) Decrease in Inventories.....	78	157
40	Net (Increase) Decrease in Other Current Assets.....	(1,956)	(464)
41	Net (Increase) Decrease in Other Assets.....	(723)	(456)
42	Net Increase (Decrease) in Accounts Payable.....	(4,489)	(1,502)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	(18,229)	(5,779)
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	-	-
45	.....	-	-
46	.....	-	-
47	Net Cash Provided (Used) By Operating Activities.....	(\$1,396)	\$5,509

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>		
48	Additions to Property and Equipment.....	(\$12,725)	(\$8,094)
49	Less: Capital Lease Obligations Incurred.....	8,341	6,468
50	Cash Outflows for Property and Equipment.....	(\$4,384)	(\$1,626)
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>		
51	Property and Equipment Acquired.....	-	-
52	Goodwill Acquired.....	-	-
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	-	-
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution..... Note 6, 9	(32,004)	-
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs..... Note 6	61,210	-
59	Less: Elimination of Amounts Due from Affiliates..... Note 9	(29,206)	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$0	-

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

## SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	176,357	\$13,886	937	\$70
2	Food	744,006	12,269	-	-
3	Beverage	1,693,404	6,774	-	-
4	Travel	-	-	11,066	1,660
5	Bus Program Cash	591,520	8,502	-	-
6	Other Cash Complimentaries	1,240,765	26,860	-	-
7	Entertainment	7,193	295	9,703	388
8	Retail & Non-Cash Gifts	-	-	321	40
9	Parking	28,801	372	-	-
10	Other	77,264	773	65,000	650
11	Total	4,559,310	\$69,731	87,027	\$2,808

FOR THE QUARTER ENDED SEPTEMBER 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	65,210	\$5,286	308	\$23
2	Food	272,778	4,379	-	-
3	Beverage	590,805	2,363	-	-
4	Travel	-	-	3,260	489
5	Bus Program Cash	227,640	3,226	-	-
6	Other Cash Complimentaries	396,947	8,909	-	-
7	Entertainment	2,269	115	5,052	202
8	Retail & Non-Cash Gifts	-	-	52	6
9	Parking	4,752	61	-	-
10	Other	28,606	286	21,973	220
11	Total	1,589,007	\$24,625	30,645	\$940



**TRUMP PLAZA ASSOCIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**(1) Organization and Operations**

Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels and Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") which is a 63.4% owned subsidiary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"). In addition, Trump AC beneficially wholly owns Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates"), the owner and operator of the Trump Taj Mahal Casino Resort located in Atlantic City, New Jersey.

Plaza Associates was organized in June 1982 as a general partnership under the laws of the State of New Jersey for the purpose of acquiring, completing the construction of and operating Trump Plaza.

The industry in which Trump Plaza operates is subject to intense competition and regulatory review.

The accompanying financial statements have been prepared by Plaza Associates without audit. In the opinion of Plaza Associates, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position, results of operations and changes in cash flows for the period presented, have been made.

The accompanying financial statements have been prepared by Plaza Associates pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). Accordingly, certain information and note disclosures normally included in the financial statements prepared in conformity with generally accepted accounting principles have been omitted.

These financial statements should be read in conjunction with the financial statements and notes thereto included in Plaza Associates' quarterly report for the period ended December 31, 2001 as filed with the current year presentation.

Certain reclassifications have been made to conform prior year financial information with the current year presentation.

The casino industry in Atlantic City is seasonal in nature; accordingly, the results of operations for the three and nine months ending September 30, 2002 are not necessarily indicative of the operating results for a full year.

**TRUMP PLAZA ASSOCIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**(2) Recent Accounting Pronouncements**

In January 2001, Plaza Associates adopted the provisions of the Emerging Issues Task Force ("EITF") Issue No. 00-22, "Accounting for 'Points' and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to be Delivered in the Future". Accordingly, volume based rebates of \$11,526,000 and \$34,715,000 for the three and nine months ended September 30, 2001 have been reclassified as promotional allowances from selling, general and administrative expenses.

During the third quarter of 2002, Plaza Associates reclassified additional costs (primarily bus coin) from selling, general and administrative expense to promotional allowances to be consistent with prevailing industry practice pursuant to EITF 01-9, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" which totaled \$2,360,000 and \$2,935,000 for the three months ended March 31, 2002 and June 30, 2002 and \$2,495,000, \$2,938,000 and \$2,525,000 for the three months ended March 31, 2001, June 30, 2001 and September 30, 2001, respectively.

**(3) Charges From Affiliates**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b><u>2002</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Trump Administration	<u>\$1,462,000</u>	<u>\$1,830,000</u>	<u>\$4,372,000</u>	<u>\$5,478,000</u>

Trump Administration, a separate division of Taj Associates, was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Plaza Associates, Trump's Castle Associates, L.P., a New Jersey limited partnership and operator of the Trump Marina Hotel Casino in Atlantic City, New Jersey ("Castle Associates") and Taj Associates.

**TRUMP PLAZA ASSOCIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**(4) Other Current Liabilities**

Other current liabilities as of September 30, consisted of the following:

	<b>September 30,</b>	
	<b><u>2002</u></b>	<b><u>2001</u></b>
Affiliates:		
Trump AC	\$2,000,000	\$15,100,000
Trump Administration	1,871,000	6,419,000
Trump Organization	41,000	(232,000)
Taj Associates	13,000	(124,000)
THCR	137,000	(264,000)
Castle Associates	-	139,000
 Reserve for insurance claims	 2,169,000	 3,020,000
Unredeemed chip/token liability	929,000	486,000
Casino reinvestment liability	1,181,000	1,122,000
Patron deposits	118,000	305,000
Other	640,000	361,000
	<u>\$9,099,000</u>	<u>\$26,332,000</u>

**(5) Other Assets**

Plaza Associates is appealing a real estate tax assessment by the City of Atlantic City. Included in Other Assets is \$8,014,000 which Plaza Associates estimates will be recoverable on the settlement of the appeal.

**(6) Long-Term Debt**

Long-Term debt consists of the following:

	<b>September 30,</b>	
	<b><u>2002</u></b>	<b><u>2001</u></b>
Note Payable - Trump AC (a)	\$ 400,000,000	\$ 400,000,000
 Note Payable - Trump AC, net of unamortized discount of \$863,000 and \$0, respectively (a)	 62,387,000 <u>\$ 462,387,000</u>	 - <u>\$ 400,000,000</u>

**TRUMP PLAZA ASSOCIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**(6) Long Term Debt (Continued)**

	<u>2002</u>	<u>2001</u>
Long-Term Debt - Other		
Mortgage Note payable in monthly installments, including interest, with an interest rate of 8.5%. The note is due in the year 2012 and is secured by certain real property.	\$ 1,125,000	\$ 1,191,000
Other notes with interest rates ranging from 6.8% to 11.25%, principal and interest payable monthly, secured by equipment.	<u>12,136,000</u>	<u>8,872,000</u>
	13,261,000	10,063,000
Less current maturities	<u>5,612,000</u>	<u>4,379,000</u>
	<u>\$ 7,649,000</u>	<u>\$ 5,684,000</u>

(a) Trump AC together with Trump Atlantic City Funding Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued the Trump Atlantic City Mortgage Notes ("Trump AC Mortgage Notes") in the aggregate principal amount of \$1,200,000,000 which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semi-annually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Plaza Associates, Taj Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Plaza Associates and Taj Associates.

Trump AC together with Trump Atlantic City Funding II ("Trump AC Funding II") and Trump Atlantic City Funding III ("Trump AC Funding III"), wholly owned subsidiaries of Trump AC, issued Trump AC Mortgage Notes in an aggregate principal amount of \$75,000,000 and \$25,000,000, respectively, which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semi-annually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Plaza Associates, Taj Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Plaza Associates and Taj Associates.

**TRUMP PLAZA ASSOCIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$400,000,000 and \$63,250,000 to Plaza Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes. Costs of \$14,733,000 and \$994,000 associated with the issuance of the Trump AC Mortgage Notes are being amortized by Plaza Associates using the effective interest method over the term of the Trump AC Mortgage Notes. The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

**(7) Other Liabilities**

Other Liabilities as of September 30, consisted of the following:

	<u>2002</u>	<u>September 30,</u> <u>2001</u>
CRDA Commitment	\$ 9,034,000	\$ 9,194,000
Deferred Income Taxes relating to Preferred Partnership Interest	<u>3,822,000</u> <u>\$12,856,000</u>	<u>3,822,000</u> <u>\$13,016,000</u>

The CRDA Commitment represents a long-term agreement with the Casino Reinvestment Development Authority for payments toward an individual Seat License for available seating at Boardwalk Hall. Commitment payments are to be met with scheduled disbursements from Plaza Associates' available CRDA deposits, through the year 2012.

**(8) Commitments and Contingencies**

Legal Proceedings

Plaza Associates, its partners and certain of its employees are involved in various legal proceedings incurred in the normal course of business. In the opinion of management of Plaza Associates, the expected disposition of these proceedings would not have a material adverse effect on Plaza Associates' financial condition or results of operations.

**(9) Partnership Distribution**

Pursuant to the indentures governing the Trump AC Mortgage Notes, Trump AC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in the indentures governing the Trump AC Mortgage Notes, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements. During the quarter ended June 30, 2002, Trump AC declared a partnership distribution to THCR of \$101,341,000, consisting of \$50,000,000 of prior interest reimbursements and \$51,341,000 of prior operating expense reimbursements.

**TRUMP PLAZA ASSOCIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**(9) Partnership Distribution (Continued)**

As such, Trump AC's subsidiaries, Plaza Associates and Taj Associates are permitted to reimburse Trump AC for its interest expenses and operating expense reimbursements to THCR. During the quarter ended June 30, 2002, Plaza Associates declared a partnership distribution to Trump AC of \$30,087,000. Previously, these amounts were classified as Advances to Affiliates on the balance sheet. For the period ended June 30, 2002, these amounts were reclassified as a partnership distribution.

Additionally, during the three months ended September 30, 2002, Plaza Associates declared partnership distributions to Trump AC of \$880,000 consisting of operating expense reimbursements for the three month period.

**(10) Contributed Capital**

In 1997 Trump AC together with Trump AC Funding II and Trump AC Funding III issued Trump AC Mortgage Notes in an aggregate principal amount of \$75,000,000 and \$25,000,000, respectively, which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semi-annually.

The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Plaza Associates, Taj Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding.) The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Plaza Associates and Taj Associates.

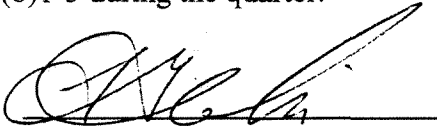
From the proceeds of the issuance of the Trump AC Mortgage Notes, Plaza Associates and Taj Associates received the benefit of \$63,250,000 and \$36,750,000, respectively. Accordingly, these amounts plus apportioned deferred loan costs net of unamortized discounts were recorded in the financial statements of Plaza Associates and Taj Associates during the quarter ended June 30, 2002. Previously these amounts were recorded solely on the financial statements of Trump AC.

**(11) State Income Taxes**

On July 3, 2002, the State of New Jersey passed the New Jersey Tax Act (the "Act"). This Act, among other things, requires the suspension of the use of the New Jersey net operating loss carryforwards for two years and the introduction of a new Alternative Minimum Assessment amount under the New Jersey corporate business tax based on gross receipts or gross profits, as defined. The Act is retroactive to January 1, 2002. As a result of the change in the tax law, Plaza Associates has recorded a charge to tax expense of \$978,000 for the nine months ended September 2002. This charge has been recorded beginning in the period in which the tax law was passed (third quarter) pursuant to the account literature in Financial Accounting Standard Board Statement Number 109, *Accounting for Income Taxes*.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

  
Signature

Sr. Vice President - Finance  
Title

4954-11  
License Number

On Behalf of:

Trump Plaza Associates  
Casino Licensee